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**LEGISLATIVE EDUCATION STUDY COMMITTEE**  
**BILL ANALYSIS**  
**54th Legislature, 1st Session, 2019**

<b>Bill Number</b>	<u>SB431/aSFC</u>	<b>Sponsor</b>	<u>Martinez, RC/Cisneros</u>
<b>Tracking Number</b>	<u>.211981.1</u>	<b>Committee Referrals</b>	<u>SEC/SFC</u>
<b>Short Title</b>	<u>Northern NM College Branch College</u>		
<b>Analyst</b>	<u>Force</u>	<b>Original Date</b>	<u>2/12/19</u>
		<b>Last Updated</b>	<u>2/28/19</u>

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**BILL SUMMARY**

Synopsis of SFC Amendment

The Senate Finance Committee Amendment to SB431 (SB431/aSFC) clarifies that Northern New Mexico College (NNMC) is to offer its technical and vocational courses through the branch community college, rather than transfer those courses to the branch campus. The amendment also indicates for the branch community college of NNMC, any courses, students, credit hours, degrees and certificates awarded are to be reported to the Higher Education Department (HED) in the same manner as required of the main campus, and are to be included in all reports and funding formula calculations for NNMC.

Synopsis of Original Bill

Senate Bill 431 (SB431) would authorize NNMC to be the partner with local school districts to establish a branch community college to provide vocational and technical education, co-located on either its Española or El Rito campus. Unlike most branch community colleges, the one proposed by SB431 would remain under the administrative control of its parent institution, NNMC, rather than under a director hired for that purpose. The bill would also make the branch community college ineligible for state appropriations through the higher education funding formula, instead permitting NNMC to seek approval from the voters of the local school districts for the imposition of a mill levy.

**FISCAL IMPACT**

SB431/aSFC does not contain an appropriation.

As noted, SB431/aSFC proposes to make the proposed NNMC branch community college ineligible for funding through the higher education funding formula, instead permitting the branch college's local school districts to seek mill levies to support the branch college.

HED notes the proposed branch community college would serve the Española, Pojoaque, and Mesa Vista school districts. Proposing a mill levy for these three school districts would affect property

taxpayers residing in Santa Fe and Rio Arriba counties. Applying the valuations for property in just those three school districts, and utilizing the same formula for the operational and debt service mill levy rate certification for tax year 2018 produces revenue projections of \$767 thousand if the certified tax rate is set at 1.00, and expected revenue projections of \$1.5 million if the certified tax rate is set at 2.000, assuming a three year average county collection rate of 96.08% between the Santa Fe and Rio Arriba counties.

## **SUBSTANTIVE ISSUES**

Vocational or career technical education (CTE) programs can offer a path to better employment with higher wages without necessarily having to commit to completion of a bachelor's degree, by offering an industry-recognized certificate or other credential. While not specifically addressing CTE or industry credentials, Workforce Solutions Department's (WSD) *2018 State of the Workforce Report* indicates, generally, people with more education have access to more employment opportunities and better wages than those with less.

WSD projects New Mexico employment overall to grow by 7.7 percent by 2024, with opportunities growing fastest for those with at least a bachelor's degree, at about 8.8 percent. Jobs in occupations requiring a diploma or less will grow by 7.6 percent. With the exception of registered nurses, most of the occupations expected to see the highest growth in numbers of available jobs require less education than a bachelor's degree. Those areas expecting to see the fastest percentage growth in the overall job market are in healthcare and would require more education, including CTE, and include personal care aides, physical therapist assistants, physical therapist aides, physical therapists, and nurse practitioners.

New Mexico Independent Community Colleges (NMICC) indicates it has worked with public school districts and other community leaders to identify gaps between the programs currently provided by NNMC and the needs of the community. Key programs identified were predominantly in construction-related fields such as plumbing, electrical trades, and carpentry. None of those potential programs are offered by any other educational institution in the community, yet employers, like Los Alamos National Labs, struggle to find qualified applicants for these sorts of jobs. NMICC emphasizes the bill will allow the college to finance needed programs in the community without impacting the state general fund.

HED notes NNMC was placed under its Enhanced Fiscal Oversight Program again on March 10, 2017 due to a late audit report for FY16 and fraud committed by the business officer. The college's FY17 audit resulted in a disclaimed audit opinion and 66 findings, including \$200 thousand dollars resulting from fraud and embezzlement committed by the NNMC's former business officer. The FY18 audit was also submitted late, however prior year findings were reduced from 66 to 18, indicating progress. Nevertheless, there remained six significant deficiencies and seven material weaknesses. As such, NNMC is designated under the Office of the State Auditor's "at-risk" watch list.

## **TECHNICAL ISSUES**

The New Mexico Attorney General notes Section 1 of the bill suggests the board of the proposed branch community college is different from the board of NNMC, but does not provide a definition of "board" until Section 2, and suggests moving that definition to Section 1 to provide more clarity.

**RELATED BILLS**

SB370, Northern NM College Child Trauma Institute, appropriates \$5 million from the general fund to the NNMC board of regents for the establishment of the “Anna, Age Eight Institute for the Data-Driven Prevention of Childhood Trauma and Maltreatment” at NNMC.

**SOURCES OF INFORMATION**

- LESC files
- New Mexico Attorney General (AG)
- Higher Education Department (HED)
- New Mexico Independent Community Colleges (NMICC)

**RKF/mc**